GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:641
ANSWERED ON:03.03.2008
PURCHASE OF FOODGRAINS
Singh Shri Prabhunath

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has established any mechanism for monitoring Multi-National Companies (MNCs) and private traders involved in purchase of foodgrains;

(b) if so, the details thereof;

(c) if not, the reasons therefor;

(d) the quantum of wheat purchased by the MNCs and private traders during each of the last three years, year-wise;

(e) whether wheat and wheat products are being sold at international price at zero duty basis on the same terms and conditions of import as are applicable to Government of India; and

(f) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a), (b) & (c): As per the present policy, farmers are free to sell their produce to the Government agencies at MSP or to the private parties, including Multinational Companies as is advantageous to them. No restriction on quantity of procurement by Multinational Companies has been imposed and details regarding purchase of foodgrains by private trade are not maintained by Government. However, to keep a watch on bulk purchases of wheat by private trade and to check evasion of taxes, a notification titled `Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 was issued under the Essential Commodities Act 1955 on 1.3.2007 making it mandatory for private traders to declare purchases of wheat in excess of 50,000 MTs during 2007-08. Similar orders for reporting purchase of rice in excess of 10,000 MTs by private traders during October 2007to September 2008 and wheat in excess of 10,000 MTs during 2008-09 have been notified on 27.11.2007 and 11.02.2008 respectively.

(d): Details regarding total purchases by MNCs and private traders are not maintained by the Government.

(e) & (f): Government has allowed import of wheat and wheat flour by private trade also at zero import duty as applicable to imports on Government account. However, as the international prices of wheat are substantially higher than the domestic prices, there is little likelihood of import of wheat by private trade.